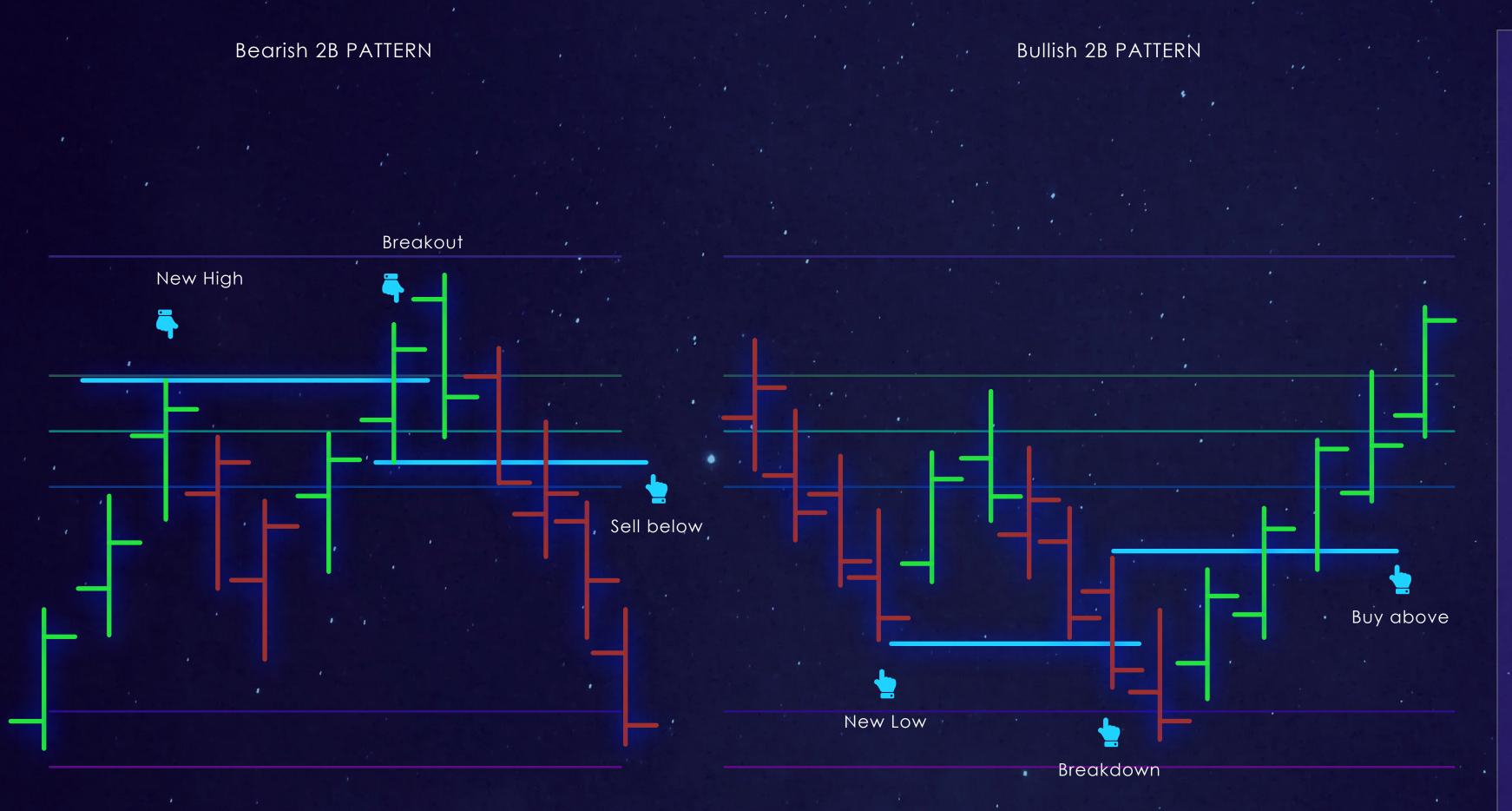


2B PATTERNS





The 2B pattern rule is when prices make a new high or new low; they pull back for a healthy retracement. After retracement, the price tries to re-test the new high or new low. When this test of new high or new low fails, and it does not maintain the prices above the new high or low, it signals a potential trend reversal. This setup is very powerful and signals the beginning of a correction.

WHEN: The market attempts to test a recent new high or low, but does not hold the prices above this range. Trades are entered to sell the low of the bar trying to breakout or buy the high of the bar trying to breakdown.

WHERE: The target is usually the "swing low" prior to the new high for 2B Buy setup or "swing high" prior to the new low for 2B Sell setup.

UNTIL: Protect your "long" trade entry by placing a "stop" below the recent low and protect the "short" trade entry by placing a "stop" above the recent high.

